
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Leda Dunn Wettre
:
v. : Mag. No. 21-13425
:
ARLEN G. ENCARNACION : CRIMINAL COMPLAINT


I, Postal Inspector Justyna Ramotowski, being duly sworn, state that the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Postal Inspector with the United States Postal Inspection Service and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.



Postal Inspector Justyna Ramotowski
United States Postal Inspection Service

Postal Inspector Justyna Ramotowski attested to this Complaint by telephone pursuant to Federal Rule of Criminal Procedure 4.1(b)(2)(A) on December 13, 2021 in New Jersey.

December 13, 2021 at
Newark, New Jersey

HONORABLE LEDA DUNN WETTRE
UNITED STATES MAGISTRATE JUDGE

Hon. Leda Dunn Wettre
Signature of Judicial Officer

ATTACHMENT A**Counts One Through Eleven**
(Bank Fraud)

From at least in or about May 2020 through in or about April 2021, in Middlesex County, in the District of New Jersey and elsewhere, defendant

ARLEN G. ENCARNACION

did knowingly and intentionally execute and attempt to execute a scheme and artifice to defraud one or more financial institutions, as defined by 18 U.S.C. § 20, to wit: Lender 1, Lender 2, and Lender 3, the deposits of which were each insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, and credits owned by and under the control of such financial institutions by means of materially false and fraudulent pretenses, representations, and promises.

Count	Approximate Date	Description
1	May 20, 2020	ENCARNACION submitted a fraudulent loan application for Paycheck Protection Program ("PPP") funds on behalf of Skycam Technologies, LLC to Lender 1 and obtained approximately \$26,415 in PPP funds.
2	July 30, 2020	ENCARNACION submitted a fraudulent loan application for PPP funds on behalf of Skycam Enterprises and Holdings LLC to Lender 1 and obtained approximately \$105,010 in PPP funds.
3	January 15, 2021	ENCARNACION submitted a fraudulent loan application for PPP funds on behalf of Skycam Security LLC to Lender 1 and obtained approximately \$143,450 in PPP funds.
4	January 15, 2021	ENCARNACION submitted a fraudulent loan application for PPP funds on behalf of Skycam Technologies LLC to Lender 1 and obtained approximately \$121,312 in PPP funds.
5	January 16, 2021	ENCARNACION submitted a fraudulent loan application for PPP funds on behalf of Skycam Construction LLC to Lender 1 and obtained approximately \$130,330 in PPP funds.
6	January 16, 2021	ENCARNACION submitted a fraudulent loan application for PPP funds on behalf of Skycam Enterprises and Holdings LLC to Lender 1 and obtained approximately \$105,010 in PPP funds.

7	January 18, 2021	ENCARNACION submitted a fraudulent loan application for PPP funds on behalf of Advance Intelligent Systems LLC to Lender 1 and obtained approximately \$101,235 in PPP funds.
8	January 18, 2021	ENCARNACION submitted a fraudulent loan application for PPP funds on behalf of The ISS Group LLC to Lender 1 and obtained approximately \$148,350 in PPP funds.
9	January 20, 2021	ENCARNACION submitted a fraudulent loan application for PPP funds on behalf of Skycam Auto Group LLC to Lender 3 and obtained approximately \$116,670 in PPP funds.
10	April 8, 2021	ENCARNACION submitted a fraudulent loan application for PPP funds on behalf of Skycam Homes LLC to Lender 2 and obtained approximately \$153,030 in PPP funds.
11	April 13, 2021	ENCARNACION submitted a fraudulent loan application for PPP funds on behalf of Skycam Entertainment LLC to Lender 2 and obtained approximately \$169,372 in PPP funds.

In violation of Title 18, United States Code, Sections 1344(2) and 2.

Counts Twelve Through Fourteen
(Wire Fraud)

In or about August 2020, in Middlesex County, in the District of New Jersey and elsewhere, defendant

ARLEN G. ENCARNACION

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, the following writings, signs, signals, pictures, and sounds:

Count	Approximate Date	Description of Wire
12	August 8, 2020	ENCARNACION submitted a fraudulent loan application for Economic Injury Disaster Loan Program ("EIDL") funds to the Small Business Administration (the "SBA") on behalf of Skycam Technologies LLC causing the SBA to deposit approximately \$63,600 in EIDL funds into the company's bank account via interstate wire transmission through the District of New Jersey.
13	August 21, 2020	ENCARNACION submitted a fraudulent loan application for EIDL funds to the SBA on behalf of Skycam Security LLC causing the SBA to deposit approximately \$149,900 in EIDL funds into the company's bank account via interstate wire transmission through the District of New Jersey.
14	August 22, 2020	ENCARNACION submitted a fraudulent loan application for EIDL funds to the SBA on behalf of Skycam Construction LLC causing the SBA to deposit approximately \$149,900 in EIDL funds into the company's bank account via interstate wire transmission through the District of New Jersey.

In violation of Title 18, United States Code, Sections 1343 and 2

Counts Fifteen and Sixteen
(Money Laundering)

On or about the dates set forth below, in the District of New Jersey and elsewhere, defendant

ARLEN G. ENCARNACION

did knowingly engage and attempt to engage in a monetary transaction by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a greater value than \$10,000, that is, the transfer of U.S. currency from bank accounts to the other bank accounts, cash withdrawals, foreign bank transfers (defined in Attachment B), such property having been derived from a specified unlawful activity, that is, wire fraud in violation of Title 18, United States Code, Section 1343, and bank fraud, in violation of Title 18, United States Code, Section 1344.

Count	Approximate Date	Description of Monetary Transaction
15	December 21, 2020	Transfer from the Skycam Enterprises and Holdings LLC bank account at Bank 1 in the amount of approximately \$40,000 to a Cashier's Check, which was subsequently deposited into a bank account at Bank 4.
16	December 21, 2020	Transfer from the Skycam Technologies LLC bank account at Bank 1 in the amount of approximately \$60,000 to a Cashier's Check, which was subsequently deposited into a bank account at Bank 4.

In violation of Title 18, United States Code, Sections 1957 and 2.

ATTACHMENT B

I, Justyna Ramotowski, a Postal Inspector with the United States Postal Inspection Service, having conducted an investigation and having discussed this matter with other law enforcement officers who have participated in this investigation, have knowledge of the following facts. Because this Complaint is being submitted for the limited purpose of establishing probable cause, I have not included each and every fact known to me concerning this investigation. Rather, I have set forth only the facts that I believe are necessary to establish probable cause. Unless specifically indicated, all dates described in this affidavit are approximate and all statements or representations described in this affidavit are related in substance and in part.

Overview

1. From on or about May 20, 2020 through on or about April 13, 2021, defendant ARLEN G. ENCARNACION ("ENCARNACION") used a variety of false statements and representations to fraudulently obtain approximately \$1.69 million in federal COVID-19 emergency relief loans meant for distressed small businesses. To obtain the loans, ENCARNACION submitted falsified loan applications to three different lenders and the SBA on behalf of ENCARNACION's purported businesses. On these loan applications, ENCARNACION falsified various types of information associated with his purported businesses, including: the number of employees; the names of employees; payroll records; and federal tax documents. ENCARNACION then misused the loan proceeds, including by purchasing various luxury items, and withdrawing large sums of cash.

Background

The Paycheck Protection Program and Economic Insurance Disaster Program Loans

2. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law enacted in or about March 2020 and designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP"). In or around April 2020, Congress authorized over \$300 billion in additional PPP funding.

3. In order to obtain a PPP loan, a qualifying business must submit a PPP loan application, which is signed by an authorized representative of the business. The PPP loan application requires the business—through its authorized representative—to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the small

business must state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures are used to calculate the amount of money the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan must provide documentation showing their payroll expenses.

4. A PPP loan application must be processed by a participating lender. If a PPP loan application is approved, the participating lender funds the PPP loan using its own money, which is 100% guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, is transmitted by the lender to the SBA in the course of processing the loan.

5. PPP loan proceeds must be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses a certain amount of the PPP loan proceeds on payroll expenses.

6. The Economic Injury Disaster Loan Program (“EIDL”) program is an SBA program that provides low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters.

7. The CARES Act authorized the SBA to provide EIDL loans of up to \$2 million to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic.

8. In order to obtain an EIDL loan, a qualifying business must submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenue for the 12-month period preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-19 relief, the 12-month period constitutes the 12 months preceding January 31, 2020. In addition, the business entity must have existed in an operational condition on February 1, 2020.

9. The amount of the EIDL loan is determined based, in part, on the information the applicant provides regarding the revenue, employees, and cost of goods of the company. The SBA directly issues any funds disbursed under an EIDL loan to the applicant company. A company may use EIDL loan funds for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments. If an applicant also obtains a loan under the PPP, the applicant company is prohibited from using EIDL loan funds for the same purpose as the PPP funds.

The Defendant and Relevant Entities

10. At all times as relevant to this Complaint:
 - a. ENCARNACION was a resident of Perth Amboy, New Jersey and the sole owner or “member/manager” of the following entities through which he fraudulently applied for PPP and EIDL loan funds:
 - i. Skycam Homes LLC was purported to be a New Jersey limited liability company in the realty industry.
 - ii. Skycam Entertainment LLC was purported to be a New Jersey limited liability company in the entertainment industry.
 - iii. Skycam Auto Group LLC was purported to be a New Jersey limited liability company providing distribution services.
 - iv. Advance Intelligent Systems LLC was purported to be a New Jersey limited liability company providing consulting services.
 - v. Skycam Security LLC was purported to be a New Jersey limited liability company providing security services.
 - vi. Skycam Technologies LLC was purported to be a New Jersey limited liability company providing distribution services.
 - vii. Skycam Construction LLC was purported to be a New Jersey limited liability company providing construction services.
 - viii. Skycam Enterprises and Holdings LLC was purported to be a New Jersey limited liability company providing distribution services.
 - ix. The ISS Group LLC was purported to be a New Jersey limited liability company providing staffing agency services.
 - b. Company 1 was purported to be a New Jersey limited liability company in the technology distribution industry. A known associate of ENCARNACION was identified as a member of the company.
 - c. Lender 1 was a financial institution insured by the Federal Deposit Insurance Corporation (“FDIC”) headquartered in Boston, Massachusetts.
 - d. Lender 2 was a financial institution insured by the FDIC headquartered in San Francisco, California.

- e. Lender 3 was a financial institution insured by the FDIC headquartered in Cherry Hill, New Jersey.
- f. Bank 1 was a financial institution insured by the FDIC headquartered in Boston, Massachusetts.
- g. Bank 2 was a financial institution insured by the FDIC headquartered in San Francisco, California.
- h. Bank 3 was a financial institution insured by the FDIC headquartered in Cherry Hill, New Jersey.
- i. Bank 4 was a financial institution insured by the FDIC headquartered in New York, New York.

The Scheme to Defraud

11. From at least in or about May 2020 through at least in or about April 2021, ENCARNACION submitted, or caused to be submitted, fraudulent loan applications to approved lenders, including Lender 1, Lender 2, Lender 3, and the SBA, in order to fraudulently obtain funds through the PPP and EIDL programs.

12. In connection with this fraud, ENCARNACION submitted, or caused to be submitted, the following PPP and EIDL applications to Lender 1, Lender 2, Lender 3, and the SBA:

Name of Business Applicant	Amount Approved	Lender	Approximate Application Date	Status
Skycam Technologies LLC	\$26,415	Lender 1	May 20, 2020	Funded
Skycam Enterprises and Holdings LLC	\$105,010	Lender 1	July 30, 2020	Funded
Skycam Technologies LLC	\$63,700	SBA	August 8, 2020	Funded

Skycam Security LLC	\$150,000	SBA	August 21, 2020	Funded
Skycam Construction LLC	\$150,000	SBA	August 22, 2020	Funded
Skycam Security LLC	\$143,450	Lender 1	January 15, 2021	Funded
Skycam Technologies LLC	\$121,312	Lender 1	January 15, 2021	Funded
Skycam Construction LLC	\$130,330	Lender 1	January 16, 2021	Funded
Skycam Enterprises and Holdings LLC	\$105,010	Lender 1	January 16, 2021	Funded
Advance Intelligent Systems LLC	\$101,235	Lender 1	January 18, 2021	Funded
ISS Group LLC	\$148,350	Lender 1	January 18, 2021	Funded
Skycam Auto Group LLC	\$116,670	Lender 3	January 20, 2021	Funded
Skycam Homes LLC	\$153,030	Lender 2	April 8, 2021	Funded
Skycam Entertainment LLC	\$169,372	Lender 2	April 13, 2021	Funded

May 20, 2020 Falsified Skycam Technologies LLC PPP Application to Lender 1

13. On or about May 20, 2020, Lender 1 received a PPP application in the name of Skycam Technologies LLC seeking a PPP loan in the amount of approximately \$40,000. The application was submitted in ENCARNACION'S name and listed his social security number. In addition, the application listed ENCARNACION as the owner of Skycam Technologies LLC and his home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION. In support of the loan application, ENCARNACION also provided a copy of his New Jersey Driver's License.

14. The PPP application submitted to Lender 1 stated that Skycam Technologies LLC's monthly payroll was approximately \$16,000 and that the company had 15 employees. In connection with Skycam Technologies LLC's purported payroll numbers, the PPP application included an annual Transmittal of Wage and Tax Statements (Internal Revenue Service ("IRS") Form W3) for 2019, a payroll summary for Skycam Technologies LLC for February 14 through 29, 2020, and Schedule C (IRS Form 1040) Profit or Loss From Business for 2019.

15. On or about June 23, 2020, Lender 1 informed ENCARNACION via e-mail that the Schedule C submitted reflected monthly wages of \$10,566, resulting in a revised loan amount of \$26,415. Via an e-mail to Lender 1 sent on or about June 29, 2020, ENCARNACION confirmed that Skycam Technologies LLC accepted the adjusted loan amount.

16. The Skycam Technologies LLC application to Lender 1 contained the following materially false and fraudulent information:

- a. The purported Form W3 claimed that Skycam Technologies LLC had paid employees approximately \$113,323 for 2019 and withheld approximately \$6,424 in federal income tax. In addition, the Skycam Technologies LLC, Form 1040, Schedule C for 2019 claimed purported wages in the amount of approximately \$126,786. Notably, as described below, in connection with a subsequent PPP loan application for Skycam Technologies LLC submitted in or about January, 2021, an identical Skycam Technologies LLC, Form 1040, Schedule C for 2019 was submitted in connection with that application but indicated that the company paid approximately \$582,288 in wages. Thus, Skycam Technologies LLC, submitted what purported to be the same IRS tax document to Lender 1 on two different occasions which reported that it paid substantially different amounts in wages to its purported employees.

- b. Information obtained from the Social Security Administration ("SSA") revealed that Skycam Technologies LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Skycam Technologies LLC for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Technologies LLC between 2018 and 2020.

17. Bank records show that ENCARNACION was the authorized signatory on the Skycam Technologies LLC bank account at Bank 1 and that, on or about July 1, 2020, the full loan amount of approximately \$26,415 was transferred into the Skycam Technologies LLC bank account at Bank 1.

July 30, 2020 Falsified Skycam Enterprises and Holdings LLC PPP Application to Lender 1

18. On or about July 30, 2020, Lender 1 received a PPP application in the name of Skycam Enterprises and Holdings LLC seeking a PPP loan in the amount of approximately \$105,009. The application was submitted in ENCARNACION'S name and listed his social security number. In addition, the application listed ENCARNACION as the owner of Skycam Enterprises and Holdings LLC and his home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION. In support of the loan application, ENCARNACION also provided a copy of his New Jersey Driver's License.

19. The PPP application submitted to Lender 1 stated that Skycam Enterprises and Holding LLC's monthly payroll was approximately \$42,003 and that the company had 15 employees. In connection with Skycam Enterprises and Holdings LLC's payroll numbers, the PPP application included an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019, a payroll summary for Skycam Enterprises and Holdings LLC for June through July 2020, and Schedule C (IRS Form 1040) Profit or Loss From Business for 2019.

20. The Skycam Enterprises and Holdings LLC application to Lender 1 contained the following materially false and fraudulent information:

- a. The purported Form W3 claimed that Skycam Enterprises and Holdings had paid employees approximately \$504,047 for 2019 and withheld approximately \$32,120 in federal income tax. In addition, the Skycam Enterprises and Holdings LLC, Form 1040, Schedule C claimed purported wages in the amount of approximately \$504,047.

- b. Information obtained from the SSA revealed that Skycam Enterprises and Holdings LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Skycam Enterprises and Holdings LLC for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Enterprises and Holdings LLC between 2018 and 2020.

21. Bank 1 bank records revealed that the bank account for Skycam Enterprises and Holdings LLC was opened on or about July 29, 2020, and that ENCARNACION was the authorized signatory on the account and listed as the managing member for the company.

22. Bank records show that on or about August 7, 2020, the full loan amount of approximately \$105,009 was transferred into the Skycam Enterprises and Holdings LLC bank account at Bank 1 (the "Skycam Enterprises and Holdings Bank Account").

23. Prior to the receipt of the loan proceeds, the Skycam Enterprises and Holdings Bank Account had a balance of approximately \$450.

24. A review of other deposits into the Skycam Enterprises and Holdings Bank Account revealed that on or about August 18, 2020 approximately \$17,800 was transferred from an account held at Bank 1 by the ISS Group LLC, another company that ENCARNACION controlled. In addition, on or about September 28, 2020, approximately \$75,000 was transferred from an account held by Skycam Security, LLC with Bank 1, and approximately \$75,000 was transferred from an account held by Skycam Construction with Bank 1. On or about October 2, 2020, approximately \$5,000 in cash was deposited into the Skycam Enterprises and Holdings Bank Account.

25. Between approximately September 2, 2020 through January 12, 2021, ENCARNACION made several disbursements of the funds held in the Skycam Enterprises and Holdings Bank Account. Specifically, ENCARNACION made approximately six payments totaling approximately \$37,806, to credit cards and one debit card purchase to a home improvement retailer in the amount of approximately \$7,039. Approximately \$12,000 in cash was withdrawn in two transactions – approximately \$10,000 on or about

November 5, 2020, and approximately \$2,000 paid by cashier's check on or about January 12, 2021.

26. On or about December 21, 2020, approximately \$40,000 was withdrawn from the Skycam Enterprises and Holdings Bank Account, along with \$60,000 from the Skycam Technologies Bank Account with Bank 1 (the "Skycam Technologies Bank Account") for the purchase of a \$100,000 cashier's check made payable to Company 1, a company owned and controlled by a known associate of ENCARNACION. Company 1 deposited the \$100,000 cashier's check in a bank account with Bank 4 (the "Company 1 Bank Account").

27. On or about December 22, 2020, Company 1 withdrew \$100,000 from the Company 1 Bank Account for the purchase of a cashier's check made payable to a Lamborghini dealer in Paramus, New Jersey (the "Lamborghini Dealer").

28. On or about December 23, 2020, ENCARNACION granted a power of attorney, a legal status granted to another party that authorized that party to act on ENCARNACION's behalf, to the Lamborghini Dealer for the purpose of obtaining title and registration documents for a 2019 Lamborghini Urus purchased from the Lamborghini Dealer. .

August 8, 2020 Falsified Skycam Technologies LLC EIDL Application to the SBA

29. On or about August 8, 2020, the SBA received an EIDL application in the name of Skycam Technologies LLC seeking an EIDL loan in the amount of approximately \$63,700. The application listed ENCARNACION as the owner of Skycam Technologies LLC and listed his social security number. In addition, in support of the application, ENCARNACION signed a letter reflecting his authority to sign the SBA loan closing documents in his capacity as CEO and President of Skycam Technologies LLC. The application also listed ENCARNACION'S home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION.

30. The Skycam Technologies LLC application to the SBA contained the following materially false and fraudulent information:

- a. The EIDL application submitted to the SBA stated that Skycam Technologies LLC's gross revenue for the 12 months prior to January 31, 2020 was approximately \$252,000 and that the company had 12 employees.

- b. Information obtained from the SSA revealed that Skycam Technologies LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Skycam Technologies LLC for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Technologies LLC between 2018 and 2020.

31. Bank records show that ENCARNACION was the authorized signatory on the Skycam Technologies LLC bank account at Bank 1 and that, on or about August 31, 2020, approximately \$63,600 in loan funds were transferred into the Skycam Technologies LLC bank account at Bank 1, which represented the full \$63,700 approved loan proceeds minus a \$100 fee for a Uniform Commercial Code filing that was deducted from the total loan amount.

August 21, 2020 Falsified Skycam Security LLC EIDL Application to the SBA

32. On or about August 21, 2020, the SBA received an EIDL application in the name of Skycam Security LLC seeking an EIDL loan in the amount of approximately \$150,000. The application listed ENCARNACION as the owner of Skycam Security LLC and listed his social security number. In addition, in support of the application, a Certificate of Formation for Skycam Security LLC listing ENCARNACION as the member/manager was provided to the SBA, along with a letter ENCARNACION signed reflecting his authority to sign the SBA loan closing documents in his capacity as CEO and President of Skycam Security, LLC. The application also listed ENCARNACION'S home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION.

33. The Skycam Security LLC application to the SBA contained the following materially false and fraudulent information:

- a. The EIDL application submitted to the SBA stated that Skycam Security LLC's gross revenue for the 12 months prior to January 31, 2020 was approximately \$538,778 and that the company had 15 employees.
- b. Information obtained from the SSA revealed that Skycam Security LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Skycam Security LLC for the tax

quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Security LLC between 2018 and 2020. In addition, bank records revealed that Skycam Security LLC's bank account at Bank 1 had a starting balance of approximately \$200 on August 13, 2020, and had no other deposits prior to the approximately \$149,900 in EIDL funds received on or about September 1, 2020. This amount of deposited funds in Skycam Security LLC's bank account was significantly lower than the \$538,778 in gross revenue that ENCARNACION claimed for the company on its EIDL loan application.

34. Bank records show that ENCARNACION was the authorized signatory on the Skycam Security LLC bank account at Bank 1 and that, on or about September 1, 2020, the loan amount of approximately \$149,900 was transferred into the Skycam Security LLC bank account at Bank 1, which represented the full \$150,000 approved loan proceeds minus a \$100 fee for a Uniform Commercial Code filing that was deducted from the total loan amount.

August 22, 2020 Falsified Skycam Construction LLC EIDL Application to the SBA

35. On or about August 22, 2020, the SBA received an EIDL application in the name of Skycam Construction LLC seeking an EIDL loan in the amount of approximately \$150,000. The application listed ENCARNACION as the owner of Skycam Construction LLC and listed his social security number. In addition, in support of the application, a Certificate of Formation for Skycam Construction LLC was submitted that listed ENCARNACION as the member/manager, with his home address as the registered office of the business. The application also listed ENCARNACION'S home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION.

36. The Skycam Construction LLC application to the SBA contained the following materially false and fraudulent information:

- a. The EIDL application submitted to the SBA stated that Skycam Construction LLC's gross revenue for the 12 months prior to January 31, 2020 was approximately \$549,886 and that the company had 15 employees.
- b. Information obtained from the SSA revealed that Skycam Construction LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained

from the IRS revealed that no Forms 941 were filed by Skycam Construction LLC for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Construction LLC between 2018 and 2020. In addition, bank records revealed that Skycam Construction LLC's bank account at Bank 1 had a starting balance of \$200 on August 13, 2020, and had no other deposits prior to the approximately \$149,900 in EIDL funds received on or about September 2, 2020. This amount of deposited funds in Skycam Construction LLC's bank account was significantly lower than the \$549,886.00 in gross revenue that ENCARNACION claimed for the company on its EIDL loan application.

37. Bank records show that ENCARNACION was the authorized signatory on the Skycam Construction LLC bank account at Bank 1 and that, on or about September 2, 2020, the loan amount of approximately \$149,900 was transferred into the Skycam Construction LLC bank account at Bank 1 which represented the full \$150,000 approved loan proceeds minus a \$100 fee for a Uniform Commercial Code filing that was deducted from the total loan amount.

January 15, 2021 Falsified Skycam Security LLC PPP Application to Lender 1

38. On or about January 15, 2021, Lender 1 received a PPP application in the name of Skycam Security LLC seeking a PPP loan in the amount of approximately \$143,450. The application was submitted in ENCARNACION'S name and listed his social security number. In addition, the application listed ENCARNACION as the owner of Skycam Security LLC and his home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION. In support of the loan application, ENCARNACION also provided a copy of his New Jersey Driver's License.

39. The PPP application submitted to Lender 1 stated that Skycam Security LLC's monthly payroll was approximately \$57,380 and that the company had 15 employees. In connection with Skycam Security LLC's purported payroll numbers, the PPP application included an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019, a payroll summary for Skycam Security LLC for February 14 through 29, 2020, and Schedule C (IRS Form 1040) Profit or Loss From Business for 2019.

40. The Skycam Security LLC application to Lender 1 contained the following materially false and fraudulent information:

- a. The purported Form W3 claimed that Skycam Security LLC had paid employees approximately \$688,550 for 2019 and withheld approximately \$42,820 in federal income tax. In addition, the Skycam Security LLC, Form 1040, Schedule C claimed purported wages in the amount of approximately \$688,550.
- b. Information obtained from the SSA revealed that Skycam Security LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Skycam Security LLC for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Security LLC between 2018 and 2020.

41. Bank records show that the authorized signatory on the Skycam Security LLC bank account at Bank 1 was ENCARNACION, and that on or about March 1, 2021, ENCARNACION received the full loan amount of approximately \$143,450 into the Skycam Security LLC bank account at Bank 1.

January 15, 2021 Falsified Skycam Technologies LLC PPP Application to Lender 1

42. On or about January 15, 2021, Lender 1 received another PPP application in the name of Skycam Technologies LLC seeking a PPP loan in the amount of approximately \$121,312. The application was submitted in ENCARNACION'S name and listed his social security number. In addition, the application listed ENCARNACION as the owner of Skycam Technologies LLC and his home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION. In support of the loan application, ENCARNACION also provided a copy of his New Jersey Driver's License.

43. The PPP application submitted to Lender 1 stated that Skycam Technologies LLC's monthly payroll was \$48,525 and that the company had 18 employees. In connection with Skycam Technologies LLC's purported payroll numbers, the PPP application included a Schedule C (IRS Form 1040) Profit or Loss From Business for 2019.

44. The Skycam Technologies LLC application to Lender 1 contained the following materially false and fraudulent information:

- a. The Skycam Technologies LLC, Form 1040, Schedule C for 2019 claimed purported wages in the amount of approximately \$582,288. Notably, in connection with a previous PPP loan application for Skycam Technologies LLC submitted in or about May, 2020, an identical Skycam Technologies LLC, Form 1040, Schedule C for 2019 was submitted in connection with that application but indicated that the company paid approximately \$126,786 in wages. Thus, Skycam Technologies LLC, submitted what purported to be the same IRS tax document to Lender 1 on two different occasions while reporting that it paid substantially different amounts in wages to its purported employees.
- b. Information obtained from the SSA revealed that Skycam Technologies LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Skycam Technologies LLC for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Technologies LLC between 2018 and 2020.

45. Bank records show that the authorized signatory on the Skycam Technologies LLC bank account at Bank 1 was ENCARNACION, and that on or about February 2, 2021, the full loan amount of approximately \$121,312 was transferred into the Skycam Technologies LLC bank account at Bank 1.

January 16, 2021 Falsified Skycam Construction LLC PPP Application to Lender 1

46. On or about January 16, 2021, Lender 1 received a PPP application in the name of Skycam Construction LLC seeking a PPP loan in the amount of approximately \$130,330. The application was submitted in ENCARNACION'S name and listed his social security number. The application listed ENCARNACION as the owner of Skycam Construction and his home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION. In support of the loan application, ENCARNACION also provided a copy of his New Jersey Driver's License.

47. The PPP application submitted to Lender 1 stated that Skycam Construction's monthly payroll was \$52,132 and that the company had 15 employees. In connection with Skycam Construction's purported payroll numbers, the PPP

application included four purported State of New Jersey Employer's Amended Quarterly Report (NJ927) for 2019, an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019, a payroll summary, and Schedule C (IRS Form 1040) Profit or Loss From Business for 2019.

48. The Skycam Construction application to Lender 1 contained the following materially false and fraudulent information:

- a. The purported NJ927 claimed that Skycam Construction had paid employees approximately \$622,576 for that year. The purported Form W3 claimed that Skycam Construction had paid employees approximately \$625,576 for 2019 and withheld approximately \$39,820 in federal income tax. In addition, the Skycam Construction, Form 1040, Schedule C claimed purported wages in the amount of approximately \$625,576.
- b. Information obtained from the SSA revealed that Skycam Construction reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Skycam Construction for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Construction between 2018 and 2020.

49. Bank records show that the authorized signatory on the Skycam Construction LLC bank account at Bank 1 was ENCARNACION, and that on or about February 3, 2021, the full loan amount of approximately \$130,330 was transferred into the Skycam Construction LLC bank account at Bank 1.

January 16, 2021 Falsified Skycam Enterprises and Holdings LLC PPP Application to Lender 1

50. On or about January 16, 2021, Lender 1 received another PPP application in the name of Skycam Enterprises and Holdings LLC seeking a PPP loan in the amount of approximately \$105,010. The application was submitted in ENCARNACION'S name and listed his social security number. The application listed ENCARNACION as the owner of Skycam Enterprises and Holdings and his home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION. In support of the loan application, ENCARNACION also provided a copy of his New Jersey Driver's License.

51. The PPP application submitted to Lender 1 stated that Skycam Enterprises and Holding LLC's monthly payroll was \$42,004 and that the company had 25 employees. In connection with Skycam Enterprises and Holdings LLC's purported payroll numbers, the PPP application included an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019, a payroll summary for Skycam Enterprises LLC for February 14-29, 2020, and Schedule C (IRS Form 1040) Profit or Loss From Business for 2019.

52. The Skycam Enterprises and Holdings LLC application to Lender 1 contained the following materially false and fraudulent information:

- a. The purported Form W3 claimed that Skycam Enterprises and Holdings LLC had paid employees approximately \$504,047 for 2019 and withheld approximately \$32,120 in federal income tax. In addition, the Skycam Enterprises and Holdings LLC, Form 1040, Schedule C claimed purported wages in the amount of approximately \$504,047.
- b. Information obtained from the SSA revealed that Skycam Enterprises and Holdings LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Skycam Enterprises and Holdings LLC for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Enterprises and Holdings LLC between 2018 and 2020.

53. Bank records show that the authorized signatory on the Skycam Enterprises and Holdings LLC bank account at Bank 1 was ENCARNACION, and that on or about January 25, 2021, the full loan amount of approximately \$105,010 was transferred into the Skycam Enterprises and Holdings LLC bank account at Bank 1.

January 18, 2021 Falsified Advance Intelligent Systems LLC PPP Application to Lender 1

54. On or about January 18, 2021, Lender 1 received a PPP application in the name of Advance Intelligent Systems seeking a PPP loan in the amount of approximately \$101,235. The application was submitted in ENCARNACION'S name and listed his social security number. The application listed ENCARNACION as the owner of Advance Intelligent Systems LLC and his home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION. In support of

the loan application, ENCARNACION also provided a copy of his New Jersey Driver's License.

55. The PPP application submitted to Lender 1 stated that Advance Intelligent Systems LLC's average monthly payroll was \$40,494 and that the company had 26 employees. In connection with Advance Intelligent Systems LLC's purported payroll numbers, the PPP application included an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019.

56. The Advance Intelligent Systems LLC application to Lender 1 contained the following materially false and fraudulent information:

- a. The purported Form W3 claimed that Advance Intelligent Systems LLC had paid employees approximately \$485,923 for 2019 and withheld approximately \$28,060 in federal income tax.
- b. Information obtained from the SSA revealed that Advance Intelligent Systems LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal of Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Advance Intelligent Systems LLC for the tax quarters of 2019 and 2020.

57. Bank records show that the authorized signatory on the Advance Intelligent Systems LLC bank account at Bank 1 was ENCARNACION, and that on or about February 9, 2021, the full loan amount of approximately \$101,235 was transferred into the Advance Intelligent Systems LLC bank account at Bank 1.

January 18, 2021 Falsified ISS Group LLC PPP Application to Lender 1

58. On or about January 18, 2021, Lender 1 received a PPP application in the name of ISS Group LLC seeking a PPP loan in the amount of approximately \$148,350. The application was submitted in ENCARNACION'S name. The application listed ENCARNACION as the primary contact for ISS Group LLC, along with his home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION. In support of the loan application, ENCARNACION also provided a copy of his New Jersey Driver's License.

59. The PPP application submitted to Lender 1 stated that ISS Group LLC average monthly payroll was approximately \$59,340 and that the company had 65 employees. In connection with ISS Group LLC's purported payroll numbers, the PPP application included an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019, a payroll summary for ISS Group LLC for February through March, 2020, and a Schedule C (IRS Form 1040) Profit or Loss from Business for 2019.

60. The ISS Group LLC application to Lender 1 contained the following materially false and fraudulent information:

- a. The ISS Group LLC Form 1040, Schedule C, claimed wages in the amount of approximately \$712,088 for the year 2020. The purported Form W3 claimed that ISS Group LLC had paid employees approximately \$712,088 for 2020 and withheld approximately \$37,292 in federal income tax.
- b. Information obtained from the SSA revealed that ISS Group LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by ISS Group LLC for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for ISS Group LLC between 2018 and 2020.

Bank records show that the authorized signatory on the ISS Group LLC bank account at Bank 1 was ENCARNACION, and that on or about January 26, 2021, the full loan amount of approximately \$148,350 was transferred into the ISS Group LLC bank account at Bank 1.

January 20, 2021 Falsified Skycam Auto Group LLC PPP Application to Lender 3

61. On or about January 20, 2021, Lender 3 received a PPP application in the name of Skycam Auto Group LLC seeking a PPP loan in the amount of approximately \$116,670. In addition, the application listed ENCARNACION as the owner of Skycam Auto Group LLC and listed his social security number. The application also listed an address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION as the business address and business phone. In support of the loan application, ENCARNACION also provided a copy of his New Jersey Driver's License.

62. The PPP application submitted to Lender 3 stated that Skycam Auto Group LLC's monthly payroll was \$46,668 and that the company had 20 employees. In connection with Skycam Auto Group LLC's purported payroll numbers, the PPP application included a payroll summary for Skycam Auto Group LLC from February through March 2020 an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019, a payroll summary, and Schedule C (IRS Form 1040) Profit or Loss from Business for 2019.

63. The Skycam Auto Group LLC application to Lender 3 contained the following materially false and fraudulent information:

- a. The purported Form W3 claimed that Skycam Auto Group LLC had paid employees approximately \$590,025 for 2019 and withheld approximately \$25,060 in federal income tax. In addition, the purported Skycam Auto Group LLC, Form 1040, Schedule C claimed purported wages in the amount of approximately \$590,025.
- b. Information obtained from the SSA revealed that Skycam Auto Group LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Skycam Auto Group LLC for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Auto Group LLC between 2018 and 2020.

64. Bank records show that the authorized signatory on the Skycam Auto Group LLC bank account at Bank 3 was ENCARNACION, and that on or about February 25, 2021, the full loan amount of approximately \$116,670 was transferred into the Skycam Auto Group LLC bank account at Bank 3.

April 8, 2021 Falsified Skycam Homes LLC PPP Application to Lender 2

65. On or about April 8, 2021, Lender 2 received a PPP application in the name of Skycam Homes LLC seeking a PPP loan in the amount of approximately \$153,030. The application was submitted in ENCARNACION'S name and listed his social security number. In addition, the application listed ENCARNACION as the owner of Skycam Homes LLC and his home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION.

66. The PPP application submitted to Lender 2 stated that Skycam Homes LLC's monthly payroll was \$61,212 and that the company had 34 employees. In connection with Skycam Homes LLC's purported payroll numbers, the PPP application an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019, a payroll summary, and Schedule C (IRS Form 1040) Profit or Loss From Business for 2019.

67. The Skycam Homes LLC application to Lender 2 contained the following materially false and fraudulent information:

- a. The purported Form W3 claimed that Skycam Homes LLC had paid employees approximately \$634,550.00 for 2019 and withheld approximately \$29,060.12 in federal income tax. In addition, the Skycam Homes LLC, Form 1040, Schedule C claimed purported wages in the amount of approximately \$634,550.
- b. Information obtained from the SSA revealed that Skycam Homes LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Skycam Homes LLC for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Homes LLC between 2018 and 2020.

68. Bank records show that the authorized signatory on the Skycam Homes LLC bank account at Bank 2 was ENCARNACION, and that on or about April 22, 2021, the full loan amount of approximately \$153,030 was transferred into the Skycam Homes LLC bank account at Bank 2.

April 13, 2021 Falsified Skycam Entertainment LLC PPP Application to Lender 2

69. On or about April 13, 2021, Lender 2 received a PPP application in the name of Skycam Entertainment LLC seeking a PPP loan in the amount of approximately \$169,372. The application was submitted in ENCARNACION'S name and listed his social security number. In addition, the application listed ENCARNACION as the owner of Skycam Entertainment LLC and his home address in Perth Amboy, New Jersey, and a telephone number subscribed to ENCARNACION.

70. The PPP application submitted to Lender 2 stated that Skycam Entertainment LLC's monthly payroll was \$67,749 and that the company had 32 employees. In connection with Skycam Entertainment LLC's purported payroll numbers, the PPP application included an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019, a payroll summary, and Schedule C (IRS Form 1040) Profit or Loss From Business for 2019.

71. The Skycam Entertainment LLC application to Lender 2 contained the following materially false and fraudulent information:

- a. The purported Form W3 claimed that Skycam Entertainment LLC had paid employees approximately \$712,988 for 2019 and withheld approximately \$42,860 in federal income tax. In addition, the Skycam Entertainment LLC, Form 1040, Schedule C claimed purported wages in the amount of approximately \$712,988.
- b. Information obtained from the SSA revealed that Skycam Entertainment LLC reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Skycam Entertainment LLC for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Skycam Entertainment LLC between 2018 and 2020.

72. Bank records show that the authorized signatory on the Skycam Entertainment LLC bank account at Bank 2 was ENCARNACION, and that on or about May 10, 2021, the full loan amount of approximately \$169,372 was transferred into the Skycam Entertainment LLC bank account at Bank 2.